



April 25, 2014

To: Executive Board

Subject: **Staff Compensation Program**

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### **Recommendation**

Adopt modifications to Foothill Transit's management compensation plan related to staff compensation adjustments.

### **Analysis**

In June 2013, the Executive Board adopted Foothill Transit's management compensation plan. This plan identified pay ranges and other benefits for employees working directly for Foothill Transit. The plan was modified in October 2013 and March 2014 by Board action. The following modification is recommended to the plan:

*Compensation* - Under the adopted management compensation plan, annual evaluations will take place in June of each year with any compensation adjustments effective July 1 of that year. Compensation adjustments consisting of raises or promotions will then be applied, including any deferred compensation, to employees by the first full payroll in July. The salary ranges will be adjusted annually in May according to the annual Consumer Price Index (CPI) for Los Angeles County.

- **Key Performance Indicators** – Foothill Transit's key performance indicators are an indication of the quality of service provided. In order to ensure that all staff members are keenly focused on these key performance indicators, a component of their annual compensation adjust will be directly tied to the achievement of set target for these indicators as follows. Annual compensation adjustments will include a one percent increase if at least seven of nine Key Performance Indicator (KPI) goals are met. If Foothill Transit meets six of nine KPIs then all employees will receive a one-half percent increase. If fewer than six KPIs are met for the year then employees will receive no compensation adjustment in this category.
- **Individual Performance Goals** – Achievement of individual performance goals are under the direct control of employees and superior performance should be recognized. In this category, an increase of up to two percent of salary will be granted based on the achievement of individual annual goals. These performance goals are determined between the employee and their supervisor prior to the beginning of the fiscal year and approved by the Executive Director every June.



- **Developmental Program** – It is anticipated that some employees will be hired at the lower end of their pay range. As they perform their jobs and enhance their skill set, they will become more valuable to the organization and their compensation should reflect this added value. Accordingly, developmental compensation increases will be granted as follows: An employee in the lowest quarter of the salary range will receive a three percent increase; an employee in the second lowest quarter of the salary range will receive a two percent increase; an employee in the second highest quarter of the salary range will receive a one percent increase; and an employee in the highest quarter of the salary range will receive no increase. To qualify for a developmental increase an employee must receive a satisfactory rating (3 or better out of 5) on their annual evaluation.
- **Educational Advancement** – Foothill Transit places great emphasis on the achievement of advanced education. This commitment is reflected in the education reimbursement program. Employees who earn advanced degrees bring additional skills to the organization. In recognition of these additional skills, a one-time increase in base compensation of five percent shall be granted upon achievement of a bachelor's degree, master's degree or doctoral degree in a field of study that is relevant to the mission of Foothill Transit.

Employees for whom these compensation adjustments would result in them exceeding the maximum of their particular salary range will not receive an adjustment to their base salary. Those employees will instead be eligible for a one-time stipend in an amount equivalent to the annual compensation adjustment that would have been awarded had they not been at the top of their particular salary range.

The proposed change to the management compensation program are attached.

### Budget Impact

If approved, funds will be programmed in Foothill Transit's budget each fiscal year to facilitate this modification to the Staff Compensation Program. In FY 2015, the salary increases are projected to result in a maximum budget impact of \$189,000.

Sincerely,

A handwritten signature in blue ink, likely belonging to Kevin McDonald.

Kevin McDonald  
Deputy Executive Director

A handwritten signature in blue ink, likely belonging to Doran J. Barnes.

Doran J. Barnes  
Executive Director

Attachment



**Foothill Transit**  
Going Good Places

## Foothill Transit Employee Compensation Program

Adopted ~~March 21, 2014~~ April 25, 2015

Foothill Transit's employee compensation plan is described below. The Foothill Transit Board reserves the right to modify or change this plan at its sole discretion at any time. The Executive Director is charged with administering this program.

*Please note that while Foothill Transit has been in existence for 25 years, it is just beginning as an employer. This program has been crafted with great care. Employee should fully understand that changes to this program are highly likely and should be fully expected as Foothill Transit gains experience as an employer. Further, the Affordable Health Care Act is expected to require changes to health plan coverages. Again, employees should expect changes in the future.*

### Pay Grades

Foothill Transit shall utilize the following pay grades and ranges. Employees may be hired at any point within these pay ranges at the discretion of the Executive Director and subject to overall budget limitations:

	Bi Weekly Min	Bi Weekly Max	Annual Minimum	Annual Maximum	Position Type
Foothill Transit Grade 8	\$2,885	\$5,692	\$80,000	\$148,000	Department Director
Foothill Transit Grade 7	\$2,308	\$4,231	\$60,000	\$110,000	Department Manager
Foothill Transit Grade 6	\$1,885	\$3,115	\$49,000	\$81,000	Technical Staff
Foothill Transit Grade 5	\$1,654	\$2,500	\$43,000	\$65,000	Technical Support
Foothill Transit Grade 4	\$1,385	\$2,115	\$36,000	\$55,000	Administrative Support
Foothill Transit Grade 3	\$1,154	\$1,769	\$30,000	\$46,000	Clerical Support

Compensation for the Executive Director shall be set at the sole discretion of the Board. Compensation for the Deputy Executive Director shall not be less than 65 percent of the compensation of the Executive Director and not more than 80 percent of the compensation of the Executive Director

**Positions by Pay Grade**

Foothill Transit positions are assigned to the following pay grades:

	Department	Pay Grade
Administrative Assistant	Administration	Grade 3
Receptionist	Administration	Grade 3
Marketing Assistant	Marketing	Grade 3
Facilities Administrative Assistant	Facilities	Grade 3
Operations and Customer Services Assistant	Operations	Grade 3
Accounting Clerk	Finance	Grade 4
Records Specialist	Procurement	Grade 4
Staff Accountant	Finance	Grade 5
Fare Technology Specialist	Finance	Grade 5
Maintenance Quality Assurance Inspector	Maintenance	Grade 5
Marketing and Communications Coordinator	Marketing	Grade 5
Quality Assurance Inspector	Operations	Grade 5
Quality Assurance Analyst	Operations	Grade 5
Human Resources Manager	Administration	Grade 6
Facilities Manager	Facilities	Grade 6
Grant Specialist	Finance	Grade 6
Project Accountant	Finance	Grade 6
Senior Accountant	Finance	Grade 6
New Media and Customer Relations Coordinator	Marketing	Grade 6
Maintenance and Vehicle Technology Manager	Maintenance	Grade 6
Help Desk Administrator	I.T.	Grade 6
IT Application Specialist	I.T.	Grade 6
Safety Compliance Coordinator	Operations	Grade 6
Transit Planner	Planning	Grade 6
Board Support Manager/Executive Assistant	Administration	Grade 7
Government Relations Manager	Administration	Grade 7
Construction Project Manager	Facilities	Grade 7
Finance Manager	Finance	Grade 7
Manager of Community Engagement	Marketing	Grade 7
Network Manager	I.T.	Grade 7
Procurement Manager	Procurement	Grade 7
Operations Contract Manager	Operations	Grade 7
Transit Planning Manager	Planning	Grade 7
Director of Procurement	Procurement	Grade 8
Director of Government Relations	Administration	Grade 8
Director of Facilities	Facilities	Grade 8
Director of Customer Relations	Administration	Grade 8
Director of Maintenance and Vehicle Technology	Maintenance	Grade 8
Director of Marketing and Communications	Marketing	Grade 8
Director of Information Technology	I.T.	Grade 8
Director of Planning	Planning	Grade 8
Director of Finance	Finance	Grade 8





## Internship Program

As part of Foothill Transit's commitment to workforce development, Foothill Transit has created an internship program. The internships allow students to gain valuable skills and knowledge. In addition, the interns support Foothill Transit in achieving its mission. Interns work an average of 20 hours per week and would be paid \$15.00 per hour.

## Vacation Time

Foothill Transit shall provide vacation time to all full-time employees at the following rates per

0-5 years of Service	3.08 hours per pay period, which equates to 80 hours per year or two weeks per year
5-10 years of Service	4.61 hours per pay period, which equates to 120 hours per year or three weeks per year
10-15 years of service	6.15 hours per pay period, which equates to 160 hours per year or four weeks per year
15+ years of service	7.69 hours per pay period, which equates to 200 hours per year or five weeks per year

Years of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit. Service does not need to be consecutive.

Maximum accrual is two times the annual vacation amount or 280 hours, whichever is less.

In December of each year, employees may cash out up to one half of their vacation balance or 80 hours, whichever is less. To be eligible for the cash out option, the employee must have taken at least 40 hours of vacation time in the prior twelve months.

Employees hired during calendar year 2013 may take up to 40 hours of vacation time in advance of earning vacation time. This accommodation will only be provided during calendar year 2013.

## Holidays

Foothill Transit shall observe the following holidays:



- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving

In addition, Foothill Transit will observe a holiday period beginning on December 24<sup>th</sup> of each year and ending on January 1<sup>st</sup>. During this time, the administrative offices will be closed. The specific days for this holiday period will be established at the beginning of each fiscal year. The specific number of days and total hours of holiday time will vary from year to year. It is anticipated a flex day will fall within this period for most employees, most years and will be accounted for as part of the total time away from work during this period.

Foothill Transit will grant paid holiday time off to all eligible employees immediately upon assignment to full-time status. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Part-time employees are not eligible for holiday pay.

### **Sick Leave**

3.69 hours per pay period, which equates to 12 days per year.

### **Work Hours and Schedules**

Management and administrative employees will work a 9/80 flex schedule with every other Monday off. Work hours will be as follows:

Tuesday through Friday	7:30 a.m. to 5:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.
First Monday:	Office closed	
Second Monday	7:30 a.m. to 4:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.

Certain positions in the Customer Service and Operations team may be assigned alternate schedules due to operational hours of the administrative office.

### **Health Benefits**



Foothill Transit

## Foothill Transit Employee Compensation Program

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Foothill Transit shall pay 100% of the lowest cost California Choice HMO 15 health plan (\$15 dollar office co-pay) provided for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

Foothill Transit shall pay 100% of the cost of dental, vision and chiropractic care for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

In order to encourage good health, the cost of flu shots for employees and their dependents covered by the Foothill Transit group medical health plans are eligible to receive reimbursement annually for the administration of the flu shot.

### Life Insurance

Foothill Transit shall provide life insurance at one times annual salary. Per United States Internal Revenue requirements, the premium for insurance in excess of \$50,000 per year is considered taxable income. Employees will be responsive for this tax liability. A payroll deduction will be made each pay period related to this tax liability.

### Retirement Benefits

From the date of hire until June 30, 2014, Foothill Transit shall contribute an amount equal to nine percent of the employee's gross earnings to a defined contribution retirement account.

Beginning July 1, 2014, Foothill Transit shall contribute an amount equal to seven percent of the employee's bi-weekly compensation to a defined contribution retirement plan. In addition, Foothill Transit will match 100 percent of employee contributions up to two percent of bi weekly compensation to this retirement plan.

### Tuition Reimbursement

Employees shall be eligible for tuition reimbursement for classes related to professional positions at Foothill Transit. A grade of "C" or better must be achieved to obtain reimbursement. The maximum annual reimbursement shall be \$5,250.



## Transit Bus Passes for Employees and Dependents

Foothill Transit bus passes shall be provided to employees for their professional and personal use. Foothill Transit bus passes also shall be provided to all employees and their dependents.

Employees commuting via other transit providers at least eight times per month shall be provided transit passes for these other transit providers.

## Length of Service Recognition

Employees shall receive a one-time length of service payment as follows:

5 years of service	\$500
10 years of service	\$750
15 years of service	\$1,000
Each subsequent five years of service	\$1,000

Length of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit.

Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.

## Compensation Adjustments

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